RIVERSIDE COMMUNITY COLLEGE DISTRICT
BAM Revision 2013/DBAC
Project Meeting

AGENDA

Friday, May 10, 2013
RCC AD 109
9:00 - 12:00 p.m.

I. Welcome and Call to Order

II. Approval of Minutes
   i. April 26, 2013

III. Review changes to the BAM Revision Project Proposal Submissions Matrix

IV. Review FY 2012-13 Proforma BAM (Version 2)

V. Next Steps

VI. Next Meetings
   i. BAM Revision Project/DBAC Meeting Schedule (9am-12pm)
      o Friday, May 17 (DL 409)
      o Friday, May 24 (DL 409)
      o Friday, May 31 (DL 409)
MEETING MINUTES

Present
Aaron Brown, Vice Chancellor, Business and Financial Services (District)
Carrie Warren, Student (Riverside)
Charlie Wyckoff, Interim Vice President, Business Services (Riverside)
Cynthia Azari, President (Riverside City College)
David Bobbitt, Interim Vice President, Business Services (Norco)
Jim Buysse, Consultant (District)
Mary Legner, Professor, Mathematics (Riverside)
Michael McQuead, Associate Professor, CIS (Moreno Valley)
Pam Kollar, Classified Representative (District)
Paul Parnell, President (Norco)
Rachelle Arispe, Executive Administrative Assistant to the Vice Chancellor (Recorder)
Tom Allen, Associate Professor, English & Media Studies (Riverside)
Tom Wagner, Associate Professor, Business Administration (Norco)

Absent
Gregory Gray, Chancellor
Gustavo Segura, Classified Representative (Moreno Valley)
Jennifer Lawson, Classified Representative (Riverside)
Jim Parsons, Associate Vice Chancellor, Strategic Communications and Relations (District)
Norm Godin, Vice President Business Services (Moreno Valley)
Sandra Mayo, President (Moreno Valley)

I. Meeting was called to order

By Aaron Brown

II. Minutes

Legner moved, and Bobbit seconded, approval of the amended minutes of April 5, 2013. Motion carried.

III. Review changes to the BAM Revision Proposal Submissions Matrix

- Wyckoff suggests if any changes on matrix we identify with color so we can see the difference in the changes
- B.1 – Delete (added to C.1)
- C.1 – Added language for one-time funding, and one-time funding on an annual basis (e.g. Prop 30)
  - $20 million of base is Prop 30 money – it starts to become at risk in 4 years.
  - 16.3% of every community college budget in the State is vulnerable
- C.4 – Added language to the beginning of the sentence, “Non-State apportionment…”
  - Includes non-resident students
o COLA only applies to State apportionment: NOT other revenue sources  
o Transitional issues to be discussed once the principles are completed

IV. Review proforma BAM

  o Brown passed out the FY 2012-13 BAM – Final Adopted Budget and an initial FY 2012-13 Revised BAM – Final Budget Proforma for comparison purposes  
    ▪ The Proforma incorporated the components as agreed to by the Committee (matrix)  
    ▪ The Proforma is only one concept and is NOT for distribution
  o The beginning balance is separated by entity  
  o Under the proforma all revenue is distributed to the colleges State apportionment is allocated to the colleges based on the assigned FTES target  
  o For purposes of this initial proforma, revenues were allocated to the colleges by FTES percentage, unless a specific revenue source was known to be applicable to a potential college (e.g. Splash)  
  o The adopted contingency reserve is subtracted from Total Available Funds and has been allocated to each entity based on the BAM percentage from FY12-13  
  o Self-insured liability fund support is deducted from Total Available Funds (inter-fund transfer category) in accordance with Section C of the matrix  
    ▪ The liability amount is based on actuarial studies and the need to maintain adequate reserves  
    ▪ No charge for liability on grants  
    ▪ Allocated to the colleges only, since all revenues are allocated to the colleges
  o Funding of Worker’s Compensation self-insurance is provided by assessing a rate per each dollar of payroll
  o “Base budget” is the prior year base expenditure budget  
    ▪ Base budget adjustments include such items as step and column, health insurance and fixed charge increases, etc.
  o Current apportionment funding rate is $4,564 per credit FTES
  o Current FTES split is:  
    ▪ MVC – 23%  
    ▪ NC – 23%  
    ▪ RCC 54%
  o Local Revenue includes such things as lottery, non-resident tuition, etc.
  o Members want to define the allocation from the colleges to support the DO/DSS base expenditure budget
  o Discussion ensued regarding approaching the revised BAM from a different perspective. Tom Allen proposed the following with the objective of deriving a FTES Funding Rate:  
    ▪ Take the District-wide Beginning Balance (1st yr. only)  
    ▪ Add total net apportionment revenue based on projected total State funded FTES  
    ▪ Subtract the required 5% District reserve  
    ▪ Subtract the base expenditure budgets for DO and DSS  
    ▪ Subtract the self-insured liability support transfer  
    ▪ Derive total funds to calculate a funding rate per FTES  
    ▪ Divide result by total projected State funded FTES  
    ▪ Apply the BAM funding rate to the projected District-wide State funded FTES per college to derive the allocated beginning balance and apportionment by college  
    ▪ Allocate all other Federal, State, and Local revenue and Transfers to the colleges  
    ▪ Derive Total Available Funds  
    ▪ Allocate the base expenditure budgets against Total Available Funds
V. Next Steps

- Update BAM Revision Proposal Submission Matrix with changes to Sections B and C
- Brown will articulate Allen’s proposal in a new proforma for review at the next meeting

VI. Next Meetings

- Spring Meeting Schedule
  - Friday, May 17 (DL 409)
  - Friday, May 24 (DL 409)
  - Friday, May 31 (DL 409)
<table>
<thead>
<tr>
<th>A. Principles</th>
<th>Comments</th>
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<tbody>
<tr>
<td>1. Equilibrium in the operating budget structural balance is maintained through assurance that on going expenditures do not exceed on going revenues and that compliance with State and District reserve requirements is maintained.</td>
<td>X</td>
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<td>2. The BAM recognizes that resource allocation is linked to District-wide Strategic Planning.</td>
<td>X</td>
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<td>3. The BAM provides for the equitable allocation of available resources to the three (3) colleges and the District office, while ensuring compliance with statutory and regulatory requirements.</td>
<td>X</td>
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<td>4. Enrollment management decisions drives the allocation of operational resources.</td>
<td>X</td>
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<td>5. The BAM is simple, readily communicable and understood, and as easy to administer as possible.</td>
<td>X</td>
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<td>6. The BAM is defined in measurable terms to maintain objectivity and predictability and so that the outcome is independently verifiable.</td>
<td>X</td>
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<td>7. The BAM is driven by verifiable data</td>
<td>X</td>
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<th>B. Policy/Organizational Considerations</th>
<th>Comments</th>
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<td>Define the way in which one-time funding and one-time funding on an annual basis (e.g. Prop 30) provided the District may be allocated.</td>
<td>X</td>
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<td>Define the roles of the District vis-a-vis the District’s four major entities in the budget development and execution processes.</td>
<td>X</td>
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<td>Define the way in which compliance with statutory, regulatory and policy requirements shall be assured (e.g. FON, 50% Law, categorical match).</td>
<td>X</td>
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<td>Define Self-Insurance Liability Funding</td>
<td>X</td>
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<td>Define DSPS services and funding levels</td>
<td>X</td>
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<th>C. Proposed BAM Revision Components</th>
<th>Comments</th>
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<td>The Riverside Community College District Budget Allocation Model will mirror the State funding model for the California Community Colleges for the basic allocation, and full-time equivalent student (FTES) apportionment, and one-time funding, and one-time funding on an annual basis (e.g. Prop 30) will ensure compliance with budget-related statutory and regulatory requirements (e.g. 50% Law, FON, etc.).</td>
<td>X</td>
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<td>The minimum 5% required level of District reserves and funding for the district office will be the first allocations of the District’s “Total Available Funds” in the Unrestricted General Fund.</td>
<td>X</td>
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<td>In recognition that it may be necessary to transition over time to a point whereby each of the colleges achieve equilibrium between allocated revenues and the expenditures needed to support instructional service levels to students, a separate allocation may be provided.</td>
<td>X</td>
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<td>Non State apportionment one-time funds, ongoing funds and entrepreneurial revenues (e.g. Norco College Trading Post, Riverside City College Splash, Non-resident tuition, indirect cost reimbursements, lease/rental income, etc.) that are specific to a particular entity will be retained by the respective college that generates the revenue.</td>
<td>X</td>
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<td>Revenue sources that are not specifically identifiable to a particular entity will be allocated based on the same methodology used to allocate apportionment revenues unless otherwise specified by the funding source.</td>
<td>X</td>
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<td>Allocate a minimum 1% of total available funds for contingency at the entity level</td>
<td>X</td>
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<td>Child Care Centers, Food Services, Performance Riverside, Contract Education, Community Ed, and Bookstore must be self-sustaining by entity</td>
<td>X</td>
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<td>Allocate Interfund Loans “Off the Top”</td>
<td>X</td>
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<td>The budget allocated for the District Office and District Support Services shall correlate with the percent increase/decrease of the aggregate budget allocated to the colleges</td>
<td>X</td>
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